Economic and Financial Markets Research
Economic Research and Market Strategy

Financial Markets Daily

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Main drivers for the financial markets today...

- **Stock markets negative, USD higher, and government bond yields positive as Europe's equity rally was stopped after President Donald Trump's latest statements in the trade front, with possible 25% tariffs on autos, semiconductors, and pharmaceutical imports**

- **Regarding US trade policy, yesterday, President Trump explained that he probably will impose said tariffs as early as April 2nd. However, he did not give further details on which countries would be impacted by the measures**

- **In China, the fall in new home prices eased for a fifth consecutive month in January, offering some hope that the decline is finally over. Meanwhile, Japan's export growth accelerated to 7.2% y/y in January, driven by shipments to the US prior to Trump's inauguration**

- **We will focus on the Fed minutes, awaiting signs that support a more cautious and data-dependent stance. In addition, we will have comments from Jefferson**

- **On the economic agenda, in the US, December's housing market indicators will be published. In Mexico, Banxico will present the 4Q24 Quarterly Report, with special attention to macroeconomic estimates and statements from Board members**

- **In other news, US Secretary of State, Marco Rubio, told European allies that his country will keep with sanctions against Russia at least until a deal is reached to end the war in Ukraine**

The most relevant economic data...

	Event/Period	Unit	Banorte	Survey	Previous
Eurozone and UK					
2:00	UK Consumer prices - Jan	% y/y	--	2.8	2.5
2:00	Core - Jan	% y/y	--	3.7	3.2
4:00	EZ Current account* - Dec	EURbn	--	--	27.0
United States					
8:30	Housing starts** - Jan	thousands	--	1,397	1,499
8:30	Building permits** - Jan	thousands	--	1,460	1,482
14:00	FOMC Meeting Minutes				
Mexico					
13:30	Bannxico's Quarterly Report				
China					
20:00	Rate decision 1-year Loan Prime Rate	%	--	3.10	3.10
20:00	Rate decision 5-year Loan Prime Rate	%	--	3.60	3.60

Source: Bloomberg and Banorte. (P) preliminary data; (R) revised data; (F) final data; * Seasonally adjusted, ** Seasonally adjusted annualized rate.

A glimpse to the main financial assets

	Last	Daily chg.
Equity indices		
S&P 500 Futures	6,142.75	-0.1%
Euro Stoxx 50	5,497.98	-0.6%
Nikkei 225	39,164.61	-0.3%
Shanghai Composite	3,351.54	0.8%
Currencies		
USD/MXN	20.32	0.3%
EUR/USD	1.04	-0.2%
DXY	107.23	0.2%
Commodities		
WTI	72.48	0.9%
Brent	76.39	0.7%
Gold	2,935.90	0.0%
Copper	459.25	0.0%
Sovereign bonds		
10-year Treasury	4.56	1pb

Source: Bloomberg

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Equities

- **Stock markets with negative bias as concerns about inflation and President Trump's trade policies persist**

- **In the US, futures anticipate a slightly negative opening (-0.1% on average), following the new all-time high reached by the S&P 500 in the previous session. In Europe, markets retreat, with the Eurostoxx dropping 0.6%, pressured by negative corporate reports from companies such as Glencore, Philips and HSBC. In Asia, the main markets closed lower, putting a halt to a rally of five consecutive days with gains**

- **In Mexico, Alfa published its results yesterday, reflecting the resilience of Sigma, although with negative impacts derived from Alpek as a discontinued operation; attention to the 2025 guidance. Chedraui reported negative figures, with a larger than expected contraction in profitability. At markets close, Gruma and Fmty reports are expected**

Sovereign fixed income, currencies and commodities

- **In Europe, ten-year rates rise by 5bps on average, following comments from Isabel Schnabel, a member of the ECB Executive Board, mentioning that the central bank may need to pause or halt its interest rate reductions. Meanwhile, US Treasuries show a mixed performance, with limited movements between ±1bp**

- **USD prints a mixed bias against G10 currencies, with NZD (+0.2%) and GBP (-0.2%) at the extremes. In EM, the bias is negative. The MXN depreciates 0.3% to 20.32 per dollar, ending six consecutive sessions of gains**

- **Crude-oil futures rise by nearly 1%, amid uncertainty around supplies from Russia, Kazakhstan, and the rest of the OPEC+ alliance. Metals are up, with better performance in industrial metals**

Corporate Debt

- **Banco Compartamos announced the signing of two bank lines of credit during 4Q24 for MXN 400 million each. According to the press release, the lines may not be fully drawn and will be used based on the bank's own operating needs**

- **Desarrollos Hidráulicos de Cancún informed that it is aware of the criminal complaint filed by the Government of the State of Quintana Roo relating to the second amendment to the Concession Title granted in favor of DHC in December 2014.**

Previous closing levels

	Last	Daily chg.
Equity indices		
Dow Jones	44,556.34	0.0%
S&P 500	6,129.58	0.2%
Nasdaq	20,041.26	0.1%
IPC	54,476.74	0.3%
Ibovespa	128,531.71	0.0%
Euro Stoxx 50	5,533.84	0.3%
FTSE 100	8,766.73	0.0%
CAC 40	8,206.56	0.2%
DAX	22,844.50	0.2%
Nikkei 225	39,270.40	0.2%
Hang Seng	22,976.81	1.6%
Shanghai Composite	3,324.49	-0.9%
Sovereign bonds		
2-year Treasuries	4.31	5pb
10-year Treasuries	4.55	7pb
28-day Cetes	9.37	-13pb
28-day TIIE	9.77	1pb
2-year Mbono	9.11	-1pb
10-year Mbono	9.87	-2pb
Currencies		
USD/MXN	20.25	-0.2%
EUR/USD	1.04	-0.4%
GBP/USD	1.26	-0.1%
DXY	107.05	0.4%
Commodities		
WTI	71.85	1.6%
Brent	75.84	0.8%
Mexican mix	68.07	1.5%
Gold	2,936.02	1.4%
Copper	464.25	-1.5%

Source: Bloomberg

Analyst Certification.

We, Alejandro Padilla Santana, Juan Carlos Alderete Macal, Alejandro Cervantes Llamas, Marissa Garza Ostos, Katia Celina Goya Ostos, Francisco José Flores Serrano, José Luis García Casales, Santiago Leal Singer, Víctor Hugo Cortes Castro, Leslie Thalía Orozco Vélez, Hugo Armando Gómez Solís, Carlos Hernández García, Yazmín Selene Pérez Enríquez, Cintia Gisela Nava Roa, José De Jesús Ramírez Martínez, Daniel Sebastián Sosa Aguilar, Gerardo Daniel Valle Trujillo, Luis Leopoldo López Salinas, Marcos Saúl García Hernandez, Juan Carlos Mercado Garduño, Ana Gabriela Martínez Mosqueda, Ana Laura Zaragoza Félix, Jazmin Daniela Cuautencos Mora, Andrea Muñoz Sánchez and Paula Lozoya Valadez, certify that the points of view expressed in this document are a faithful reflection of our personal opinion on the company (s) or firm (s) within this report, along with its affiliates and/or securities issued. Moreover, we also state that we have not received, nor receive, or will receive compensation other than that of Grupo Financiero Banorte S.A.B. of C.V for the provision of our services.

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	Reference
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HOLD	When the share expected performance is similar to the MEXBOL estimated performance.
SELL	When the share expected performance is lower than the MEXBOL estimated performance.

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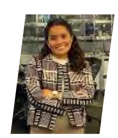

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